

13 January 1959

MEMORANDUM FOR: Col. David H. Smith,
Army Member, NIS Committee

SUBJECT: NIS Production of Petroleum Intelligence

1. I am considering a proposal that maintenance production of Supplement V be discontinued with the end of Fiscal Year 1959 and that NIS petroleum intelligence thereafter be produced and carried in the Section 62. No significant change in the existing Section 62 outline is projected. However, in the case of a few of the most important petroleum-producing areas, the Subsection 62C will be prepared in greater detail and depth relative to other areas and will require that related Sections 62 be scheduled for maintenance at more frequent intervals.

2. There are certain countries outside the Bloc whose petroleum production is so important, in terms of U.S. and Free World strategic interest, that they continue to merit special NIS consideration even in the absence of Supplements V. The following eight countries are in this category: Arabian Peninsula, Venezuela, Iran, Iraq, Indonesia, British Borneo, Colombia, and the West Indies. It is my opinion that Sections 62 on these areas should be maintained on four-year cycles, or at the rate of two sections a year.

3. Under this proposal Section 62 production would continue at the rate of eight areas a year (2 Bloc and 6 Free World), plus production of two Sections 62 on the eight petroleum-important areas listed above in lieu of Supplement V production. The bulk of this new work would be done by the Department of the Interior covering Subsection 62A - General, 62B - Solid Fuels, and 62C - Petroleum. The Department of the Army, however, would be called upon to contribute annually two additional Subsections 62D - Electric Power. Fortunately, electric power is a relatively minor energy factor in most of these petroleum-important areas.

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Enclosed for your information are two copies of a memorandum dated 10 January 1959, from the NIS, regarding the production of petroleum intelligence. The memorandum is a copy of a letterhead memorandum (LHM) from the NIS to the JCS, dated 10 January 1959, and is being furnished to you for your information. The LHM is being furnished to you for your information and is not to be distributed outside your office.

I wish you would discuss this matter with him as soon as you have examined Army's capabilities to handle these contributions. If these can be done, the NIS will be able to provide more timely and better coordinated petroleum intelligence than has been possible under the separate Section 62 and Supplement V schedule.

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Chairman, NIS Committee

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